the heavy provision under "Political" for War Publicity, National War Front, Air Raid Precaution, Defence Measures, Slit Trenches, etc.

The above narration may perhaps lead one to the misleading conclusion that the budget is a mere war-budget and that all nation-building activities have been stopped. As I have already pointed out, this is far from the truth. While straining every nerve to meet the war-situation to their fullest capacity, Government have also decided that their budget should be a "nation-building" budget as well. They are fully aware that it is essential that funds have to be built up for post-war reconstruction and hence they propose to augment their Revenue Reserve Fund by the transfer of Rs. 10 lakhs from the surplus of 1116. The irrigation activities of the Panchayats for which large grants are proposed and the Capital Schemes of irrigation and communication proposed by the Public Works Department are sure to increase the prosperity of the State in post-war years. "Education" gets a further allotment of Rs. 0·35 lakh more than the revised estimate of Rs. 20·14 lakhs. Larger provision is also made under "Medical" and "Ayurveda".

I shall now proceed to sketch in detail some of the important items that deserve notice in the budget estimates of 1118.

RECEIPTS

Compared with the revised estimate of receipts of the current year, *viz.*, Rs. 127·56 lakhs, the budget estimate anticipates a fall of Rs. 3·2 lakhs, while the expenditure is expected to exceed the revised estimate of Rs. 119·62 lakhs by Rs. 1·54 lakhs, with the result that the year is expected to close with a nominal surplus of only Rs. 3·20 lakhs.

The largest fall in receipts is that expected under Railway the estimate under which is fixed at Rs. 22 lakhs as against the revised estimate of Rs. 23·83 lakhs as a conservative and cautious estimate.

"Forests" comes next with an anticipated decline of Rs. 0·59 lakh from the revised estimate of Rs. 8·65 lakhs, since part of the increase in the revised estimate was due to the sale of trees uprooted by the cyclone of last year. Even then the sale of soft-wood is expected to give a large increase of revenue from "Forests".

The budget estimate under "Customs", fixed at Rs. 24·60 lakhs which is less than the revised estimate of the current year by Rs. 0·56 lakh, is based more or less on the realisations of 1941-42 at the Port.

Against these falls, we expect small increases under Land Revenue, Tobacco and Education, the reasons for which have been detailed in the Memorandum.

Income-tax is expected to keep up the same high return which the current year anticipates *viz.*, Rs. 13 lakhs.

DISBURSEMENTS

The demands of the several departments for the ensuing year have been carefully scrutinised both by the Government and your representatives in the Standing Finance Committee and the several grants have been fixed only after a full consideration of their actual requirements. As a measure of retrenchment, the scale of pay of the Joint Secretary to Government and of the Excise Commissioner has been or is proposed to be reduced from Rs. 450—600 to Rs. 350—500. All possible economy has been exercised in restricting the allotments for travelling allowance and contingent expenditure to the barest necessity. The building programme of the Public Works Department has been rigorously limited to the very essential requirements. Nevertheless, rural development has received special attention and the usual special contribution of Rs. 1 lakh has been raised to Rs. 2 lakhs of which Rs. 1·70 lakhs is reserved for the intensive improvement of irrigation works in all Village Panchayats, with a view to the development of agriculture. The balance of Rs. 0·30 lakh is proposed to be distributed for manure depots, rural libraries, sinking of wells, ayurveda and development of spinning.

The total thus provided for in the budget estimate for the next year is Rs. 121·16 lakhs, which is in excess of the revised estimate of the current year by Rs. 1·54 lakhs. I shall now proceed to deal with the more important items.

Most departments exhibit an increase owing to the provision for enhanced dearness allowance.

DEVELOPMENT AND NATION-BUILDING SERVICES

First of all I shall deal with the Development and Nation-building Services.

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Agriculture.—I start with "Agriculture" which deserves special notice. We continue to contribute Rs. 5,000 to the Imperial Agriculture Research Council; all the Inspectors are engaged in the special activities connected with the food production drive and they have been given temporary attender-clerks to assist them in their work. The lands attached to State Gardens and Public Offices are now being utilised for cultivating tapioca and other food stuffs. Provision has been made to open 87 manure depots in all the Panchayats and a sum of about Rs. 5,000 has been made for overhead charges such as establishment, rent, etc., and another sum of Rs. 43,500 has been earmarked under "Advances" for the storage of manure for sale to the ryots. There is also the special contribution of Rs. 6,225 in the Agricultural budget for the same purpose. The provision for demonstration of improved methods of cultivation is continued. It is hoped that these additional facilities will be fully availed of by our agriculturists for improving and preserving the agricultural and cattle wealth of the country.

Industries.—A small State like Cochin has little prospects for large-scale industries under Government management, but we may look forward to a net work of Cottage Industries in the State on which the Industries department with its rural Industrial Schools is bestowing special attention. The purchase of Pallivasal power, of which a beginning has been made, will in the coming years afford cheap power for the development of our Industries. Under "Special Contribution" a provision of Rs. 5,000 has been made for the development of Spinning which is essentially a cottage industry and on which so much emphasis has been laid by National India in recent years. A provision of Rs. 1 lakh has been made under "Advances" for supply of materials from Coir and other Cottage Industries to the War supply department; and it is hoped this would stimulate industries in our State, give employment to the people and be of immense benefit in post-war years. A special officer was deputed to investigate into the possibilities of the Coir Industry and the supply therefrom and he will be continuing his activities in 1118. Provision has also been retained for the Coir Depot. Other provision has further been made under "Advances" for giving loans for the development of Cottage Industries. In the course of the year the remaining activities of the Industries department, C. T. Schools, etc., have been practically transferred to the Minister.

Nation Building Services like Education, Medical, Public Health, Ayurveda and Panchayats, have received larger grants for the coming year.

Education.—The creation of a band of well-educated and healthy people is the highest aim and endeavour of any enlightened administration and if the amount spent on "Education" be the measure of the progress of a State, it will be easily admitted that our State is well to the fore; our Education budget is easily the largest with an allotment of Rs. 20·49 lakhs out of a revenue of Rs. 124·36 lakhs. It has been found that adequate attention is not being paid to the development of the physical side of education and hence increased allotments for field games have been made with further provision for more play-grounds. Three physical training instructors who have undergone training are to be newly appointed and eight more instructors are proposed for the next educational year. The importance of research work in the development of Industries is duly recognised and it is proposed to depute two students to the Travancore University for research work in Industrial Chemistry and Marine Biology. The case of poor children attending schools has not been overlooked. An increased provision of Rs. 10,000 has been made for giving noon-day meals to such children, which, if carefully spent, would satisfy a long-felt want. Agricultural and Industrial instruction is given larger allotments. Thus the Education budget is, as usual, on a forward scale.

Medical.—Prominent mention has also to be made of the increasing activities of the Medicial and Public Health departments, besides Ayurveda, in promoting the health and happiness of the people. The permanent institution of a tuberculosis clinic at Trichur with the necessary staff and equipment, the opening of the Eye, Nose and Throat department under a permanent Assistant Surgeon, coupled with the introduction lately of the Radium treatment, will go a long way to make our Medical department more useful to the people. The Nursing staff is also proposed to be strengthened by an addition of 10 more hands. To meet the cost of new services and the enhanced cost of dietary articles and medicines an increased provision of Rs. 6·56 lakhs had to be made under "Medical", *i.e.*, Rs. 0·31 lakh more than the revised estimate.

Public Health.—Health department, too, gets a larger allotment of Rs. 1·50 lakhs, as compared with the revised estimate of Rs. 1·45 lakhs, as it has undertaken the Sanitation work of the erstwhile Town Councils of Vadakkancheri, Nemmara and Kunnamkulam. The rural Midwifery service is proposed to be strengthened and a provision of Rs. 2,000 is made therefor.

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Ayurveda.—Under "Ayurveda", we propose to start a new Ayurvedic Hospital at Trippunittura with the necessary staff, which would satisfy a real need. The possibility of combating malaria by the application of Ayurvedic medicines, is under investigation and a special Vaidyan has been appointed for the purpose. An allotment of Rs. 10,000 has, in addition, been made under "Advances" to manufacture medicines of standard quality and to open a sales department for making good medicines available to the public at a moderately cheap price.

Public Works.—Another item which comes within the scheme of a progressive programme is "Public Works." As already stated, it may be seen from the programme of works before you that, except for the construction of Police and Military lines which are essential for the efficiency of the force and which involve a total outlay of about Rs. 1·2 lakhs, there is no building-construction worth the name provided for next year. The construction of groynes in Cheriakadavu, etc., and for which the House sanctioned a grant of Rs. 0·63 lakh this year could not be carried through for various reasons and hence a provision of Rs. 75,000 has been made therefor next year. Three other important schemes which would certainly go a long way to better the economic condition of the State, are either in progress or in embryo—I mean the Anamalais Road, the Chalakkudi Diversion Scheme and the Thottara Puncha Scheme. Though managed by the Public Works Department these schemes fall under "Capital Outlay" and I shall, therefore, reserve further remarks when I come to that subject.

Panchayats.—Next I come to the "Panchayats" which should correctly be the ideal units of local administration catering to all the needs of the Villages they serve with their definite works of Sanitation, Irrigation, Communications, etc. A very large provision of Rs. 4·06 lakhs is made for the Panchayats for next year. The striking features of the enhanced allotment are the additional amount of Rs. 10,000 for a better maintenance of the Panchayat roads and the special contribution of Rs. 1·75 lakhs.—Rs. 1·70 lakhs for irrigation works and Rs. 5,000 for wells in littoral tracts. Government fully realise that in the development of irrigation facilities for cultivation lies the salvation of the rural population and their motto will be "Irrigation, more irrigation and yet more irrigation" as His Excellency the late Viceroy now Viscount Halifax once stated. By a discretionary and well-advised use of this large grant, we hope that a great impetus would be given to the agricultural development of the several villages by the improvement of "Irrigation" and that there would be a steady increase in the agricultural out-put of the villages. It has also been decided that this allotment should be non-lapsable.

The budget before you further envisages the distribution of the lump provision for "Original Works" among the several Panchayats on the basis of their respective population and area. The works have to be decided by the Panchayats after scrutiny by Government.

SOCIO-ECONOMIC SERVICES

I shall now proceed to the provision made for Socio-economic services, like Co-operation, Rural Development and Uplift of the Depressed Classes.

Government are continuing without any limitation their Socio-economic services.

Co-operation.—Provision has been included in the budget for the Co-operative department as usual for development of non-official co-operative efforts by the issue of loans and grants to Co-operative Societies. Non-credit Societies are given an impetus by providing grants with a view to developing Co-operative mentality, by appointing paid Secretaries, etc. A sum of Rs. 2,500 has also been ear-marked for the Marketing Society engaged in the development of cottage industries. On the vote of this House, the Government have sanctioned the proposal of the Land Mortgage Bank to guarantee the issue of their debentures to a further extent of Rs. 20 lakhs; and a provision of Rs. 4·62 lakhs has been made under "Advances" for the Land Mortgage Bank for its daily transactions.

Uplift of the Depressed classes.—A separate department for the uplift of the depressed and backward communities has been functioning in the State for more than a decade and has been doing useful work. A sum of Rs. 0·71 lakh is ear-marked for this department for its activities which include development of colonies, educational concessions in Colleges and Schools, sinking wells in Harijan Colonies, maintenance of depressed class hostels, organisation of co-operative societies, etc. A special contribution of Rs. 2,750 is provided next year especially for sinking wells.

COLLECTION SERVICES

The collection services may be taken chiefly to include Land Revenue, Excise, Customs, Forests and Tramway, Registration and Anchal, Stamps and Income-tax. As the House is fully aware of, the Price Control and the Rice Control operations have expanded to such

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